

December 2, 2005

Beth Tanzman, Director of Mental Health Futures Initiative Division of Mental Health Department of Health P.O. Box 70 Burlington, VT 05402-0070

Dear Beth:

This letter serves to confirm the Retreat's interest in serving as a satellite facility for treatment of patients currently receiving inpatient level of care at the Vermont State Hospital. We are aware of the criteria, which was established by the Inpatient Mental Health Sub-committee of the VSH Futures Group, and are committed to meeting the standards as they evolve.

We look forward to partnering with the State of Vermont, Department of Mental Health in the evolution of a system of care which will best meet the needs of Vermonters with mental illness. We will make our team available at your earliest opportunity to begin discussions regarding the next steps in the process.

Thank you for continued interest in working with Retreat Healthcare.

Richard T. Palmisano

President and Chief Executive Officer

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